THE EFFECT OF EDUCATION LEVEL, PERCAPITA INCOME AND UNEMPLOYMENT ON POVERTY
(CASE STUDY IN MALANG DISTRICT, 2001 – 2016)

Minor Thesis

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HARDITYO ERIK SUJATMIKO
135020107121007

INTERNATIONAL UNDERGRADUATED PROGRAM OF ECONOMICS
CONCENTRATION IN DEVELOPMENT ECONOMICS
FACULTY OF ECONOMIC AND BUSINESS
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Minor thesis under the title;

The Effect of Education, Percapita Income, and Unemployment on Poverty (Kabupaten Malang 2001-2016)

Written by;

Name	: Harditiyo Erik Sujatmiko
Student Number	: 135020107121007
Faculty	: Economics and Business
Department	: International Undergraduate Program of Economics
Concentration	: Development & Planning

Has been approved by supervisor for further approval from the board examiner.

1. Devanto Shasta Pratomo, SE.,M.Si.,Ph.D.
   NIP. 197610032001121003
   (Supervisor)
2. Al Muizzuddin Fazaalloh, SE.,ME.
   NIP. 198604032015041002
   (Examiner I)
3. Atu Bagus Wiguna, SE.,ME.
   NIP. 2016079101181001
   (Examiner II)

Malang, November 30th, 2018
Awcknowledged by,
Head of Undergraduate Program in
Economics Development

Dra. Marlina Ekawaty, M.Si.,Ph.D.
NIP.196503111989032001

CURRICULUM VITAE

Nama	: HarditYo Erik Sujatmiko
Tempat & Tanggal Lahir	: Malang, 6 Februari 1994
Alamat	: Jl. Raya Bululawang Rt 01 Rw 07 Bululawang Malang
Jenis Kelamin	: Laki-laki
Agama	: Kristen
Pendidikan	: 1. SDN Wandanpuro II tahun 2000-2006
	2. SMPK Kalam Kudus Malang 2006-2009
	3. SMAK Santa Maria Malang 2009-2012

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Abstrak

Mensejahterakan masyarakat adalah tujuan utama dari pembangunan, untuk mencapai hal tersebut dapat dilakukan menurunkan dengan menurunkan kemisiknan. Menurunkan kemiskinan dapat dilakukan dengan meningkatkan pendidikan, meningkatkan pendapatan perkapita, serta mengurangi pengangguran. Penelitian ini bertujuan untuk mengetahui seberapa besar pengaruh pendidikan, pendapatan perkapita dan pengagguran terhadap kemiskinan di Kabupaten Malang. Metode analisis yang digunakan adalah Analisis Linier Berganda. Dari hasil regresi linier berganda disimpulkan bahwa variabel pendidikan berpengaruh tidak signifikan artinya setiap kali terjadi perubahan tingkat pendidikan tidak akan mempengaruhi tingkat kemiskinan dan membutuhkan jangka waktu yang lama , variabel pendapatan perkapita berpengaruh signifikan negatif artinya, kenaikkan variabel pendapatan perkapita akan menurunkan tingkat kemiskinan. dan variabel pengagguran berpengaruh signifikan positif artinya kenaikkan tingkat pengagguran akan meningkatkan tingkat kemiskinan.

Kata kunci : Pendidikan, pendapatan perkapita, pengangguran dan kemiskinan

Abstract

Welfare is the purpose of the national development. To achieve national welfare, government should reduce poverty by developing education, increasing percapita income and razing unemployment. This study aims to to know the effect of education, percapita income and unemployment on the poverty in Malang district. The analysis used multiple linear method. The results of multiple linear regression found that the education variable has no significant effect on poverty. This indicates that a change in the level of education would not affect the level of poverty. The education variable takes a long period of time to take effect. The per capita income variable had a significant negative effect and the unemployment variable has a significant positive effect, meaning an increase in unemployment will increase the level of poverty.

Key words : education, percapita income, unemployment, poverty

CHAPTER I

INTRODUCTION

1.1 Background of Study

National development aims to promote justice and prosperity for all of countryman. The regions development is conducted sustainably and effectively in accordance to the needs and priorities of each region following the national development plan determined for long term and short term project. The main indicators of successful national development is the decrease of poor population rate. One of the main criteria for the selection of national development is the mainstay of the sector's effectiveness in decreasing the number of poor population (Pantjar, 2003). The decreasing rate of poverty is effective in evaluating the development strategy.

By definition, poverty is the inability to meet the minimum standard of living (Kuncoro, 1997). The basic needs include food, clothes, shelter, education and health. Furthermore, poverty can be distinguished based on income, namely absolute poverty and relative poverty. Based on the time patterns, poverty can be distinguished into four, covering (1) Persistent Poverty, chronic poverty or down to decline; (2) Cyclical Poverty, a poverty follows a pattern the economic cycle overall; (3) Seasonal poverty, it is a poverty often found in fishermen and agriculture context; and (4) Accident poverty, it is caused by natural disasters, conflict, and violence, or the impact of a particular policy causing the welfare decrease (Sastraamadja, 2003).

According to Todaro (1995), poverty variations in developing countries are caused by several factors, namely: (1) the geographical differences, population and income level, (2) historical differences, most were colonized by different countries, (3) the difference of wealth in natural resources and the quality of human resources, (4) difference in the private sector and governments, (5) the difference in the structure of the industry, (6) the difference in the degree of dependence on the economic and political power of other countries and (7) the sharing power, political and institutional structures in the country.

Over the past decade Indonesia has made significant progress in reducing poverty, the Indonesian government realizes that economic development is one of the efforts to achieve the goals of a just and prosperous society (Sumarto, 2014). In line with these objectives, various development activities are also directed towards regional development, especially in disadvantaged areas. Regional development is carried out in an integrated and sustainable manner according to the priorities and needs of each region with the roots and national development targets that have been established through long-term and short-term development. Therefore, one of the main indicators of the success of national development is the rate of decline in the amount of poverty.

So also with the referral RPJM East Java Province the problems of poverty, unemployment becomes very common Affairs priorities. Same with the Malang had begun of RPJMD Malang 2006-2010 Periods already prioritize poverty reduction and job creation associated with the entire program development priorities on his impact can be reduced poverty and lower unemployment.

Table 1.1 The Population and Poor Population Malang District

2001 – 2016

Year	The Population	Poor Population
2001	2,426,540	470,761
2002	2,440,302	443,893
2003	2,514,009	407,218
2004	2,350,254	438,790
2005	2,393,959	413,674
2006	2,379,402	391,742
2007	2,401,624	355,201
2008	2,413,779	326,820
2009	2,425,311	331,450
2010	2,447,051	290,276
2011	2,459,982	287,430
2012	2,473,612	274,600
2013	2,446,218	287,400
2014	2,667,458	280,310
2015	2,544,315	292,870
2016	2,560,675	293,740

Source: BPS Malang District 2001-2016

Table 1.1 Indicates poverty level in Malang in the last 16 years which is still relatively high. It can be seen that the number of poors in 2001 was 470.761 and decreased to 413.674 in 2005, with 2016 of 293,740 people. This number is quite high. But, the trend of poverty from 2001 to 2016 in Malang is decreasing significantly. This indicates that the government efforts works well.

Development planning in Indonesia is directed to realize a society that increasingly prosperous, prosperous and equitable. The wisdom of development is primarily done to achieve high economic growth by way of harnessing the

potentials and resources that exist. Economic development is also a process which led to the increase in per capita income of the population of a country in the long run (Sukirno, 1985)

According to Tadaro (2000), poverty is characterized by low per capita income and income distribution gap. GRDP percapita area is one of the tools to measure the level of population's well being in a region. Percapita GRDP is large indicates good level of population's well being, and vice versa.

Many poor people who have experienced or are experiencing ignorance of ignorance even systematically. Therefore, it is important to understand that poverty could lead to idiocy and ignorance is obviously synonymous with poverty (Wijayanto, 2010). The educational relationship with poverty is very influential, since the higher education of a person, then the skill also increases so will push the work productivity (Astrini, 2013)

The education sector is the provision of education to increase the proportion literate population, decrease the education inequalities between community groups, and improve the quality education services indicated by the increase of education participation rates, the ratio of the vocational school compared with public schools (RPJMD Malang District, 2006-2010).

The drop in unemployment is expected also capable of lowering the amount of poverty. Unemployment is a situation where someone who belongs in the work force wants to get a job, but they have not been able to obtain the job (Sukirno, 1997). In addition, according to Tambunan (2001), unemployment can affect the level of poverty in various ways in the household has a limitation of liquidity means

that the current consumption is very influenced by current income, then disaster unemployment will directly affect the income poverty rate with consumption poverty rate.

The number of unemployed Malang District is quite high. It is caused by the imbalance of job opportunities with population growth rate. The future challenges is improving the quality of work field and creating job opportunities

(RPJMD Malang District, 2006-2010).

According to the World Bank (2004) poverty is one reason for the lack of income and assets to meet basic needs such as food, clothing, housing and health and education levels. In addition, poverty is also related to the limitation of the field of work and usually categorized as unemployment, furthermore, the level of education and their health is generally inadequate (www. bappenas. go.id)

This research aims to identify issues the cause of poverty and propose solution for poverty, so this research is entitled "The Effect of Education, Percapita Income and Unemployment on Poverty (case study Malang District 2001-2016) ".

1.2 Research Question

Poverty is benchmark in assess the success of social and economic government development in a region. Many of social problems are resulted from poverty. Based on background, the research question is: how are the effect of education, percapita income and unemployment on poverty in Malang District?

1.3 Objective of Study

With regard to the formulation problems and background, so the purpose of this study is :

1. To determine the effect of education variable on poverty in Malang District
2. To determine the effect of percapita income variable on poverty in Malang District
3. To determine the effect of unemployment variable on poverty in Malang District

1.4 Significance of Study

Based on the purpose of the research, the benefits of the research are:

1. Academically, it is expected to give writer, academicians, and further studies insight on the studied matter.
2. In practice, it is expected to provide variable influence of education, percapita income and unemployment on poverty in Malang District

3. For future researchers, it is expected to provide a reference.
4. The research it is expected to be constructive contribution following for college , especially undergraduated Brawijaya University of Economics and Business in developing science in the human resources.

CHAPTER II

LITERATURE REVIEW

2.1 Poverty

2.1.1 Poverty in Brief

Poverty is the inability to meet basic needs such as food, clothing, shelter, education and health. Poverty can be caused by scarcity or limitation of basic needs, or the difficulty to access education and jobs. Poverty is a global problem. Some people perceived poverty as subjective and comparative basis, while others see it as moral and evaluative, and others perceive it as an established scientific, etc. (id.wikipedia.org).

According to Andre Bayo (1981) in Arsyad (2004), poverty is multidimensional as human needs are varied, then poverty has many aspects. Judging from the general policy, the primary aspects of poverty include poor assets, political social organization, knowledge as well as skills; and secondary aspects of the poor will be social networks, financial resources and information. The poverty dimensions are outlined in the form of malnutrition, water, healthy housing, health care, and education.

According to Hall and Midgley (2004), poverty can be measured by many the point of view. Some opinions implies that poverty is incapability in fulfilling basic consumption needs. Other inserts social dimensions as being unable to afford the basic needs, including attitude, cultural life and a particular environment.

Generally, when people talk about poverty is more about material. Within this concept, someone is poor if they are unable to fulfill standard needs only.

According to Tadaro (2000), poverty is the low income and the breadth gap distribution of income. One of most valid of poverty is people living in rural areas, conducting basic agriculture activities and closely with traditional economic sector. Economists development begin to measure the poverty in a nation and between countries by determining a limit commonly known as the poverty line. Poverty circle is also linked to retardation in developing natural resources. The development of natural resources in an area depends on the human productive ability. If people are underdeveloped and illiterate, so, the ability, technique, knowledge and the effectiveness of entrepreneurship are low and natural resources are abandoned, less and even abused.

2.1.2 The Cause of Poverty

According to Spicker (2002), the cause of poverty can be divided into four:

1. Individual explanation, it is caused by the characteristics of the poor themselves: lazy, wrong choice, failed in work, congenital defects, not ready to have children and so on.
2. Familial explanation, due to heredity, where intergeneration recurrent misfortune occurs, mainly due to education.
3. Subcultural explanation, due to the behavioral characteristics of an environment that result in the moral of the community.

4. Structural explanations, poverty is the product of society that creates an imbalance with a distinction of status or rights.

According to Sharp (2000), poverty cause include:

1. The low quality of labor force

   One of the causes of the occurrence of poverty is due to the poor quality of the labor force. The quality of the work force can be seen from the number of illiterate. For example, the United States only has 1% illiterate, compared to Ethiopia with above 50%.

2. Access to ownership of capital difficult

   A little capital and ownership ratio between capital and labor yield low productivity that ultimately became a factor in the causes of poverty.

3. The low level of command of new technology

   Countries with low technological mastery has low levels of productivity. The low levels of productivity led to unemployment. This is caused by a failure in adapting a more modern production techniques. The size of the low level of technological mastery, one of which can be seen from its means of production that is still traditional in nature.

4. The use of inefficient resources.

   Poor countries resources are not used fully and efficiently. At the level of the household resource use is usually still purely traditional led to inefficiency.

5. High growth of population

   According to Malthusian theory of population, developing appropriates geometric progression would develop appropriate foodstuffs production. This results in overpopulation and food shortage. The shortage of foodstuffs is one indication of the occurrence of poverty.

According to Kuncoro (2000) as follows:

1. In macro, poverty arises due to the inequalities of resource ownership patterns that give rise to income distribution was lame, the poor population only has resources in a limited number and quality is low.
2. Poverty arises due to the difference in the quality of human resources because the quality of human resources is low affecting low productivity and low wages.
3. Poverty arises because of differences and access to capital. Ismawan (2003) suggested that the causes of poverty and underdevelopment is the question of accessibility. Due to the limitations and absence of access has limited the options for developing life. Thus, man has limitations in performing options, as a result of human potential to develop his life.

According to Greetz (1974) in Tadjuddin (1995), the poverty of rural Java emerged as a result of the presence of agriculture. Greetz argued that the structure of landholdings which reflects income inequality meant lame rural communities.

According to Zadjuli (1995), types and causes of the poverty factor in the world are (1) because of colonialism, poverty (2) poverty because of social traditions, (3) cultural poverty due to isolation, and (4) structural poverty.

2.1.3 A Measure of Poverty

According to Prihatini (2006), there are indicators five of poverty i.e. the percentage of the poor population, education (particularly the number of illiterate), health (infant mortality and childhood malnutrition), employment and economy (consumption per capita). To determine poverty requires a clear benchmark. There are several approaches or concepts used as calculation and determination of the boundaries of poverty.

According to Bappenas (2006), a major indicator of poverty is, (1) restriction on the adequacy and quality food, (2) limited access and low quality of health services, (3) limited access and low quality of education services, (4) limited employment opportunities and, (5) weak business and asset protection wage differences, (6) restriction on access to housing and sanitation services, (7) limited access to clean water, (8) weak certainty of ownership and control of land, (9) worsening conditions environment and natural resources, as well as the limited public access to natural resources, (10) weak sense of security assurance, (11) weak participation, (12) big burden of population caused by the magnitude of family dependants, (13) bad government causing inefficiency and ineffectiveness in the public service.

2.2 Education

2.2.1 Education in Brief

Education is a very important aspect for a nation. The education can rise a nation from the buried to triumphant. However, not all Indonesians willing and capable of attending school. In general, education can be defined as an attempt to guide children since birth to achieve physical and spiritual maturity capable in interacting with nature and the environment. Education is very important for every nation. Using knowledge, a child is ble to survive his life.

Under the laws of the Republic of Indonesia Number 20 Year 2003 About education system, education is a conscious effort and planned to realized the learning process so that learners actively develop itself to have the power of spiritual, self-control, personality, intelligence, morals, as well as the necessary skills for themselves, society, and nation. Education, in general, is any planned attempts to influence others both individuals, groups or communities, so they did what was expected by the principals of education (Notoadmojo, 2003).

Many poor people who have experienced or are experiencing illiteracy. Therefore, it becomes important for everybody to understand that poverty could lead to illiteracy, and illiteracy is obviously synonymous with poverty. To break the causal chain above, there is one key element that is education. Because education is a means of removing the illiteracy at the same time poverty. But ironically, education in Indonesia has always been faced by three realities (Winardi, 2010).

1. Low concern of government on education that is lost to a more strategic affairs, politic. In fact, education is the Foundation of political jargon to rise to power in order to draw sympathy of the people. According to Tambunan (1997), a nation is not likely to have an international labor if a quarter of the student failed to complete secondary education. Indonesia shows the presence of systematic neglect against the education.

2. Veiled Colonialism. In this era of globalization and capitalism, there is a veiled colonialism committed developed countries in terms of political capital and that have adopted various dimensions of life in developing countries. Generally, this is certainly not colonialism irrespective of economic elements. With an ever-increasing State debt, the agency or organization any donors to intervene directly and not against the economic policy of a nation. As a result, it came to privatization in all fields. In fact, any education did not escape from this privatization effort. The cost of education is more expensive which would not be accessible by the poor. Finally, people can no longer pursuing higher education and that result in decrease in the quality of human resources in Indonesia. So, no wonder if the workforce in Indonesia many of which are in the informal sector due to the quality of human resources are low, and this is one of them because the cost of education that is indeed expensive. Furthermore, the global investment climate demands the Government to provide the legal framework that can protect investors and cheap labor. Cheap labor is the result of privatization

(autonomous campus), which makes education no longer could reach the poor people. Finally, the result link up the education system, where education is only able to provide cheap and unskilled labor.

3. The condition of the people themselves which indeed could not adapt himself to the environment. Of course, this is not apart from the conditions of the nation's multidimensional crisis-stricken Central so that people's expectations will be low in his life. It could be said, there has been a relative deprivation (the term Karl Marx who in populerkan Ted r. Gurr) within the community. This will have an impact on the world's educational shortcomings that respect, because they are more concerned with the Affairs of the abdomen rather than the school. As a result, ignorance will haunt, and poverty will accompany. Thus, poverty is becoming a social reproduction, where poverty would give birth to a generation that wasn't educated due to lack of education, and then being illiterate as well as poor.

2.2.2 Objectives of Education

The purpose of education is to develop the potential of students in order to become a man of faith and piety to God Almighty, precious, healthy character learned, accomplished, creative, independent, and become citizens of a democratic and accountable (Notoadmojo , 2003).

law No. 2 years 1985 stated that the purpose of education, are creating the intellectual life of the nation and developing the whole human faith and piety to God Almighty and ethical sublime, having the knowledge, skills, health, physical and spiritual, a steady and independent personality and sense of civic responsibility.

Whereas according to the MPRS No. 2 the year 1960, it is said that the purpose of education is to form a Pancasila on the basis of the provisions desired by the preamble and contents of the Constitution 1945.

2.3 Per capita Income

2.3.1 Gross Regional Domestic Product

Gross Regional domestic product (GRDP), according to the Central Bureau of statistics (BPS), is defined as the sum of the value added generated by all business units in an area, or the entire amount is the value of the final goods and services produced by the entire economic units in an area. Gross Regional Domestic Product (GRDP) is essentially the amount of value added generated by all business units in a particular region or is the total value of final goods and services produced by the economy of the entire unit in an area (BI, 2014). GRDP is one of the important indicators to know the condition of the economy in an area within a certain period, either on the basis of rates in force or on the basis of constant prices.

2.3.2 Per capita Income

According to Kuncoro (2004), per capita income is an indicator to see the purchasing power of an area. Per capita income can be defined as the sum of the value of the goods and services an average of available to residents of a country in a given period (Bibi, 2006). The magnitude of the per capita income is often used as a comparison rate prosperity in different regions (Norton, 2002). Per capita income can be obtained from a given year divided by the total population of a country in that year (Sukirno, 2004).

2.3.3 Benefits Per capita Income

GRDP per capita is obtained by dividing the GRDP by population in an area. Per capita income is often used as an indicator of development. Per capita income of the ordinary gives an overview of the level of welfare (Arsyad, 1999). The higher a person's income will increase his ability to pay a variety of charges set by the government. The higher the GRDP per capita of an area, the greater the potential source of the acceptance of the area is. The high acceptance of the region, the regional Government is expected to resolve the problem of poverty in their territory well.

Excerpted from Ruang Pintar (https://www.ruangpintar.com/2016/02/definisi-pengertian-pendapatan-perkapita.html (accessed February 7, 2018:7.45) that contained some of the benefits of per capita income, namely:

1. The welfare State Indicators

   Per capita income figure is the most reliable measure to see the level of prosperity of a country. This is because the income per capita of population factor directly demonstrates the level of prosperity, while other national income components such as GNP, GRDP, etc. have not shown the level of prosperity communities directly because it doesn't consider the factor of population.

2. Growth Prosperity the State Standard

   Percapita income is a common standard to compare the level of prosperity of a country's welfare or from year to year. Per capita income rises, then it can be said that the level of social welfare increases. However, to ascertain whether the welfare of society indeed really increases, we must consider the per capita income in real terms, i.e. an increase of income per capita compared with the rate of increase in prices or inflation.

3. The Interstate Comparison Prosperity

   In addition to the comparison of the level of prosperity of a country from year to year, percapita income is also commonly used as a benchmark level of prosperity among countries that one another. With percapita income set the standard, then the world's countries can be grouped into low-income countries, medium, or high.

2.4 Unemployment

2.4.1 Unemployment in Brief

Unemployment is classified in the work force, who are actively looking for work at a certain wage level, but are unable to obtain the desired job (Sukirno, 2004).

Unemployment is a resident who does not work but is looking for work or preparing for a new venture or residents who are not looking for jobs because it feels may not get jobs or residents who do not find work because already received work/have a job but have not yet begun work (Abdilaah, 2016).

According to law No. 25 1997, labor force is defined as the population aged 15 years or more. Please note that Indonesia does not specify a maximum age limit of labor, this is because Indonesia has not had a national social security. Labor is differentiated into two groups (Rukmana, 2012), namely:

1. Work Force consists of community work and community who are unemployed and looking for work.
2. Not a labor force consists of the public who are attending, taking care of the household, and the others.

Todaro (2000) stated that the growth of population and labour force growth (which happened a few years later after the population growth) is traditionally regarded as one of the factors that enhance economic growth. The number of the larger work force will increase the number of productive powers, while the larger population growth increases the size of its domestic market. In other words, the more labor force used in the production process, the output produced will increase

to some extent. In international standard , the unemployed is a person who is already classified in the work force who are actively looking for a job at a certain wage level, but not can get a job she wanted.

According to Tambunan (2001), unemployment can affect the level of poverty in various ways, among others:

a. If household has a limitation of liquidity, it means that the current consumption is very much influenced by current income, then unemployment will directly affect the income poverty rate with consumption poverty rate.
b. If the household does not face liquidity constraints, it means that consumption is currently not too much influenced by current income, then the increase in unemployment would lead to increased poverty in the long term, but not too influential in the short term.

A relatively slow growth rate of the labor force and employment growth cause unemployment problems in the developing countries. The high unemployment levels and uneven income distribution have interrelated relationships. The unemployed or part timer has always been among the groups of people the very poor. Those who work with high paid in the Government and private sectors usually included among the community groups of the middle class to the top. The poor faces limited employment opportunities, limited opportunities to develop, weakening protection of the assets, wage differences, as well as the weakness of the labor protection, especially child workers and women workers. Therefore, one of the principal mechanisms for reducing poverty and uneven income distribution in

developing countries is to provide adequate wages and provide employment opportunities for the poor (Arsyad, 1997).

The Government can run a variety of plans to meet the rights of the poor over the work and the development of a viable business to reduce the unemployment rate. These plans include:

1. Enhancing the effectiveness of the institutional capabilities and the Government in enforcing the humane industrial relations.
2. Enhancing the global partnership to expand employment opportunities and increase the protection work.
3. Improving the knowledge and skills of the poor to develop the ability of working and trying.
4. Enhance the protection of migrant workers at home and abroad.

2.4.2 Types of Unemployment

Types of unemployment based on the cause:

a. Natural Unemployment

   Unemployment is applicable to the level of full employment. Full employment is the state where about 95 percent of the work force in a fully working time. The five percent unemployment is known as a natural unemployment.

b. Frictional Unemployment.

   A type of unemployment caused by the action of a worker to leave her/his job and looking for a better job or better suited to her/his wishes.

c. Structural Unemployment.

Unemployment caused by economic growth. The three main sources cause structural unemployment are:

1) technological developments. The development of increasingly advanced technologies makes demand of goods from industries that produce goods that ancient decline and finally closed and workers in this industry will be idle. Unemployment is also referred to unemployed technology.
2) Deterioration caused by the existence of competition from foreign countries or other regions. Competition from abroad can produce better products cheaper and will create demand for local goods decreased. The local industry that cannot compete will be bankrupt so that unemployment has occurred.
   a) Decline of economic development of a region because of the rapid growth of other competitors.

d. Unemployment Conjuncture

Unemployment Conjuncture generally is applicable because of the reduction in aggregate demand. Decline request aggregate results in the company reducing the number of workers or roll mat, so it appears unemployment conjuncture.

According to Sukirno (2000), there are three types of unemployment based on the circumstances that caused it:

1) Frictional Unemployment, i.e. unemployment caused by one's actions of workers to leave work and find a better job or in accordance with his wishes.

2) Structural Unemployment, i.e. unemployment caused by changes in the structure of the economy.

3) Unemployment Conjuncture, i.e. unemployment caused by the excess and apply natural unemployment as a result of the reduction in aggregate demand.

Unemployment as an independent variable in this study is the percentage of open unemployment that is in Malang 2001-2016

2.5 Relationships Between Variables

2.5.1 The Effect of Education on Poverty

The problem of poverty in this country is always simultaneously with the issue of rate of population growth which then generate unemployment, social inequalities in income distribution and development. Education becomes the main capital people to compete in the world of work today. Nowadays, to get a high quality of education needs high cost so that the poor society cannot afford to pay for it. As a result, education and knowledge that get is below the standard. Even many children not attending school or dropping out because of poverty. Many poor people who have experienced or are experiencing illiteracy even more. It is important for us to understand that poverty could lead to illiteracy, which is

synonymous with poverty. To break the causal chain above, there is one key element that is education as it can remove the illiteracy at the same time poverty.

The relation of poverty with education is enormous because education provides people with the ability to thrive through the mastery of knowledge and skills. Education also instills an awareness of the importance of human dignity. It should be a spirit to continue to educate the Nations. The poor population in the context of social education had been systematically developed through empowerment, participation, democratization, confidence, and independence. Non-formal education should also be promoted in overcoming illiteracy, backwardness, and failed social economy. Informal education for social education to alleviate the poor as the head of the family (individual) and members of the community are not separated from the concept of a learning society at school, workshops, counselling and training, upgrading or guidance (Supriatna,1997).

2.5.2 The Effect of Per Capita Income on Poverty

Based on the theory of economic development, economic development is seen as a rise in per capita income, and the pace of economic growth is rated using GDP (Gross Domestic Product) for the national level, and GRDP (Gross Regional Domestic Product) for the area or regional level. The level of GDP is also determined by its population growth. Where the rate of uncontrolled population growth greatly affects the value of the GDP. Per capita income of the locals gives an overview of the level of welfare (Arsyad, 1999). The person's income will affect a person's ability to pay a variety of charges set by the Government. The higher the

GDP per capita of an area, the greater the potential source of the acceptance of the area. The high acceptance of the region, the regional Government is expected to resolve the problem of poverty his territory well.

2.5.3 The Effect Unemployment on Poverty

Unemployment can affect the level of poverty in various ways, Tambunan (2001), such as:

1) If the household has a limitation of liquidity means that the current consumption is influenced by current income, then the unemployment will directly affect the income poverty rate with consumption poverty rate.
2) If households do not face the limitations of liquidity means that consumption is currently not influenced by current income, then the increase in unemployment would lead to increased poverty in the long term, but not too effect in the short term.

According to Abdillah (2015), Indonesia has a fairly high unemployment faced by young workforce aged 15 to 24 years which is far higher than average unemployment nationwide. Students who just graduated from university and vocational and secondary school students having a hard time finding a job in the national job market. Almost half of the total workforce in Indonesia only have elementary school certificate only. However, in recent years, the trend shows higher diploma unemployment is getting bigger.

2.6 Previous Research

Abdillah (2015) studies the influence of GDP, education and unemployment on the poor population in Semarang in from 2003-2014. This research analyzes the influence and significance of educational variables, unemployment, and GDP on poverty. The results are expected to be used as a basis for determining the policy in the addressing the problem of poverty in Semarang. The method used is to collect references related to issues examined. The secondary data from the Central Bureau of Statistics (BPS) was analyzed using R as a support to do multiple regression analysis. Based on the results of the analysis, the variable is positive and significant that education variable positively effect of unemployment and poverty rates significantly. GDP variable has negative effect and does not significantly to poverty level in Semarang. Further Research should use a more complete data and better methods, so that it can complement existing research results. The results can be used as a consideration of the various parties concerned to reduce the poor population in Semarang.

Sari (2016) analyzes GDP influence of the level of education and the unemployment rate on the level of poverty in the province of South Sumatera 2004-2013 Period. This research aims to know the extent of the influence of the growth rate of gross regional domestic product (GDP), the level of education, unemployment and poverty levels in province against South Sumatera 2004-2013 year. The results of the analysis showed that the GDP effect negatively to poverty, the level of education also has a negative effect against poverty which means the increase of both variables land can lower the level of poverty. Differences on the unemployment variable positive effect against poverty which means that rising

unemployment will increase the level of poverty. The influence of the growth of GDP, education and unemployment rate of the poverty rate in South Sumatra Province year 2004-2013 simultaneously affect a variable level of poverty.

Aristina (2015) examines the influence of level of education, unemployment, and economic growth against poverty in the province of Bali. This research aims to know the influence of simultaneous and partial education level (X1), unemployment (X2), economic growth (X3) and poverty (Y). The data used in this research is secondary data. Data collection is done through a non-participant observation. Data collection method is done by studying some of the information found on literatures such as books, articles, thesis and journals as well as through related institution. The data is then processed by multiple linear regression analysis technique. Test results shows that educational level (X1), unemployment (X2), and economic growth (X3) simultaneous and significant affects Poverty in the province of Bali (Y). Partially variable levels of education (X1) and economic growth (X3) has a negative and significant effect on Poverty in the province of Bali (Y), while the unemployment variable (X2) has a positive and significant effect on poverty in The Province Of Bali (Y).

Bisby (2012) analyzes the influence of GDP, unemployment, education, and health on poverty in Central Java in year 2004-2009. The research uses 6 years time series data represented on annual data from 2004 2009 and data cross section as much as 35 data represent the County/city in Central Java. Combination or pooling produces 210 observation. This research uses a dummy territory (34 City/County), to see the difference in the development of poverty district/city level in Central Java during the 6 years period of research (2004-2009), where the city of Semarang as

benchmark area. The rate of growth of the GDP has negative and significant (α = 5%) effect on poverty, it means an increase in the rate of growth of GDP would reduce poverty. The unemployment rate affects positively and significantly (α = 5%) poverty, meaning that rise of unemployment rate will increase the level of poverty. Educational effect of negative and significant (α = 5%) against poverty, meaning that the higher education level will reduce poverty. Health effect has negative and significant (α = 5%) effect on poverty, meaning that the higher the degree of health will reduce the level of poverty.

Widiasworo (2015) analyzes the influence of the education, health, and Women labor force on poverty in Gresik District (case study 2008-2012 Years). The research aims to know the influence of the variable levels of education, health and women labor force on poverty levels in Gresik District in 2008-2012. The selection of educational and health level variable as both are an investment of human resources to increase productivity. Where with the high numbers of productivity then earned salaries will also increase and welfare achieved. While women's labor force participation is chosen because Gresik District industry absorbs many of the female workforce. In addition, it is one of the main factors that the woman works to support the family economy and help the husband. This research is quantitative descriptive research with time series data. After the new classic test and multiple linear regression analysis, the results of this research show that a third of the free variable influences poverty levels. Education level and women's labor significant effect either partially or simultaneous while health level influence is not significant. The relationship between the free variables is contradictory. When one or all free variables increase, the poverty rate will

decrease. Women labor force variable most is the influential contribution to the level of poverty is more dominant.

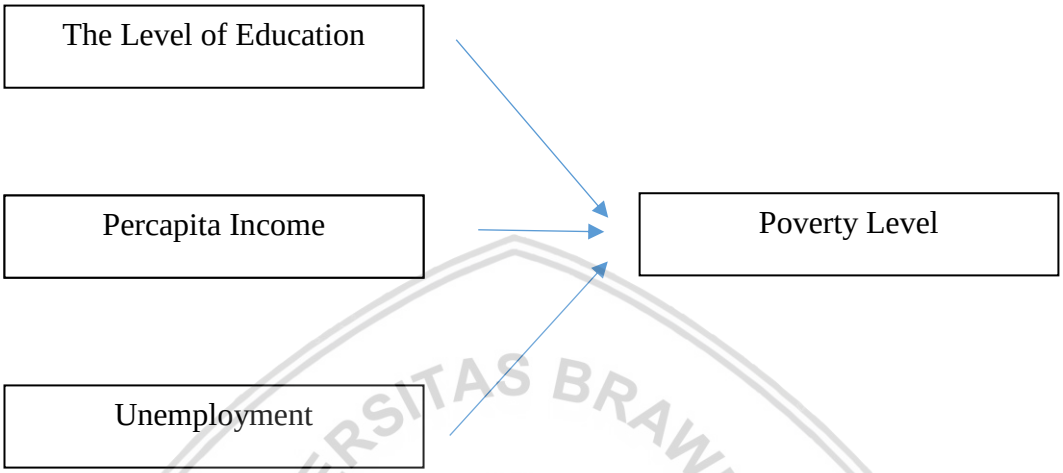
Ayula Chandra (2012) examines the Interconnectedness of economic growth and per capita Income against the poverty of the Central Java province in 2003-2010. Variables are economic growth and GDP. Per capita income significantly and negatively affect the number of poor populations in Central Java province in the period 2003-2010. Significant and negative values of this variable indicates that economic growth and per capita income is instrumental in the reduction of poor population in the province of Central Java. The greater the economic growth will increase the per capita income for the community so that the welfare society will increase, and the number of poor populations decrease. Nevertheless, there are still things to note, namely demographic factors population. The rapid growth of population which exceeds economic growth will cause the per capita income decline. When such things happen, then it is unlikely the number of poor populations will reduce.

2.7 Research Framework

The research framework is a concept to explain, reveals and shows the perception of how the free variables with the variable is examined based on the background and outline of the problem.

Figure 2.1

The Research Framework of the Influence of the Level of Education, Health and Unemployment on Poverty Level



This study attempts to analyze the factors that affect the level of poverty in Malang. The independent variables used in this research are the level of education (X1), Per capita Income (X2) and unemployment rate (X3), while the poverty rate as a dependent variable (Y).

2.8 The Hypothesis

The hypothesis can be defined as a temporary answer to the problem research which is to be tested empirically. Based on the background, theoretical basis, previous researches, and the purpose of the study, the formulated hypothesis are:

H1: Education level (X_1) has a negative effect on poverty levels (Y)

H2: Per capita Income level (X_2) has a negative effect on against the poverty rate (Y)

H3: The Unemployment rate (X_3) has a positive effect on poverty levels (Y)

CHAPTER III

RESEARCH METHODOLOGY

3.1 Type of Research

This research is specifically intended as a descriptive exploration study or testing of hypothesis (Sekaran, 2006). The exploration study or study poll is done if researchers want to figure out the characteristics of phenomenon or a matter being investigated because there is not many literatures or research results that debate the issue or a problem. Descriptive study is done with aim to explain a phenomenon that can be used as a basis for creating decision to solve a matter. The data collection is intended to test hypothesis or answer alleged research. This research is intended as testing over hypothesis research using the relationship between variables research (Sekaran, 2006).

Based on an explanation, the research is a kind of research testing hypotheses because it proposes conclusion suspected the impact of education, per capita income and unemployment on the level of poverty.

3.2 Research Sites

Research sites is where the research is implemented to obtain data or necessary information related to the issues to be examined. This study was held at Malang District East Java. The objective is to find factors that can affect the poverty level. The subjective is existence of various problem faced during the survey.

Technically because the amount of money, the deadline study, and other technical capacity, allowing to operate research according to plan set.

3.3 The Concept, Variable, Operational Definition and Measurement

3.3.1 The Concept and Variable

The concept is an abstract sense used scientists as a component in building a proposition and theory used in giving a sense of a phenomenon (Arikunto, 2012). There are 4 concepts in this study such as education, per capita income, unemployment and poverty.

Arikunto (2012) said that variable is an object research or a point of the attention in a research. Based on opinion above, this research has two variable; independent variable namely the levels of education (X_1), per capita income (X_2) and unemployment rate (X_3) and the dependent variable namely the levels of poverty (Y).

3.3.2 Operational Definitions of Variables

Operational definitions of variables in the study are:

1. Level of Education (X_1)

   The indicator of the level of education is academic education from senior high school.

2. Per Capita Income Level (X_2)

The Per capita income is an indicator to see the purchasing power of an area. Per capita income can be defined as the sum of the value of the goods and services average that is available to residents of a country in a given period (Bibi, 2006). Per capita income can be obtained from a given year divided by the total population of a country in that year (Sukirno, 2004).

3. Unemployment Rate (X_3)

Unemployment is already classified in the work force, who are actively looking for work are at a certain wage level but are unable to obtain the desired job (Sukirno, 2004). Unemployment is measured by looking at the percentage of open unemployment that is in Malang District 2001-2016 year.

4. The level of Poverty (Y)

Poverty can be observed as a condition of community members who do not or have not participated in the process of change because it does not have the ability in the selection of factors of production as well as quality of factors of production. In this study, the measurement of poverty is based on the concept of poverty used Central Bureau of Statistic that is the ability of a person or household in fulfilling the basic needs approach. Based on this approach, the Central Bureau of Statistic formulates poverty as the inability of a person or household economically to meet the basic needs of food that is measured in terms of expenditure. The per capita spending per month is used as variables that are compared with the magnitude of the value of the

poverty line to specify a person categorized as poor or not poor. Someone who has an average per capita monthly expenditure or below the poverty line is categorized as poor. The poverty rate data sources on research was obtained from Central Bureau of Statistic Malang District.

3.4 Data Collection Techniques

3.4.1 Types and Data Sources

The source of the data in this study consisted of two types, namely:

a. Primary Data

   Primary data is data that is retrieved directly from the object of research. This data is collected by doing observation.

b. Secondary Data

   Secondary data is data that is retrieved from the literature that supports and relate to issues that are examined, such as a picture or profile as well as the poverty levels, educational levels, per capita income, unemployment and other supporting data.

3.4.2 Method of Data Collection

Data collection methods used in this research were: documentation, i.e. gathering information by studying the written data to acquire secondary data regarding the profile of Malang, poverty levels, educational levels, per capita

income, the unemployment rate of the Central Bureau of Statistic Malang District as well as other data associated with this research.

3.5 Data Analysis

3.5.1 Descriptive Analysis

Descriptive statistics were used to analyses the data in a manner described or describe the data that had been collected as it is meant to make general conclusions applicable to or generalization (Sugiyono, 2012). Analysis techniques for describing data is the percentage and average.

3.5.2 Multiple Linear Regression Analysis

Hypothesis testing was done using multiple regression analysis techniques. Multiple regression analysis was used to find the forms of influence, jointly or singly between independent variable (X) and dependent variable (Y). Arikunto (2012:162) formulated the double regression with two predictors as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

Note:

Y : Variable of poverty

X_1 :Variable of education

X_2 :Variable of per capita Income

X_3 :Variable of unemployment

a :The number of constant

b_1 :The regression coefficient variable the level of education

b_2 :The regression coefficient variable the level of per capita income

b_3 : The regression coefficient variable the level of unemployment

3.5.3 Test Assumptions

BLUE (Best Linear Unbiased Estimator) shows that regression coefficients equation has no irregularities. To test it, a classic assumption test performed are:

1. Multicollinearity Test

   Multicollinearity is a condition in which between the independent variables in the regression equation are related to each other perfectly. Multicollinearity test is intended to determine whether there is a perfect linear relationship or certainly among all variables in the regression model. To find out multicollinearity in a regression model, it can be seen from the following conditions that must be met (Gozali 2006):

   a. Multicollinearity occurs when the value of the VIF (Variant of Inflating Factor) is greater than 10.
   b. Multicollinearity occurs when the value of the tolerance calculation results obtained is less than 0.1

2. The Normality Test

Normality test aims to test whether in regression models, the independent and dependent variable have a normal distribution or not (Gozali, 2006). A good regression model has a normal data distribution or close to normal. The basis of decision making is if the data spread around the diagonal line and follow the direction of the diagonal lines indicating patterns of a normal distribution, then the regression models satisfy the assumption of normality.

3. Test Heteroscedasticity

Test heteroscedasticity aims to test whether in regression models has residual variance of inequality from one observation to other observations (Gozali, 2006). Good regression model is the homoscedasticity or heteroscedasticity does not occur. To find out regression model has heteroscedasticity Gozali (2006), it uses:

> See the graph plot between the prediction variable (ZPRED) and residual (SRESID). To see heteroscedasticity can be done by looking at whether a particular pattern and on the chart between SRESID and scatterplot ZPRED where Y is the Y axis that has been predicted, and the X axis is the residual (Y – Y Lo prediction).

The sense above explained that if there is a particular pattern, such as the points that there are certain patterns that form irregular (wavy, widens and then narrows or other forms), then indicate has occurred heteroscedastisitas. If there is no clear pattern, as well as the points spread above and below the 0 on the y-axis, then its not the case heteroscedasticity.

4. Test Autocorrelation

   Autocorrelation is used to determine whether the linear regression model has a correlation between error in the period t with error at period t-1 (earlier). According to Gozali (2006), the classic model assumes that the element of distraction-related observation is not affected by items disturbance or disorders associated with other observations. To test autocorrelation in an equation, the value of DW is located between the upper limit (du) and (4-du), then the result shows no autocorrelation positive/negative. Good regression model is a regression that is free of autocorrelation.

3.5.4 Partial Regression Test (t Test)

This research tests t function to know the influence of each independent variable X (partially) to a dependent variable (Y). The test is performed with the formula (Emory and Cooper, 2006) as follows:

$$t = \frac{b}{Sb}$$

Description:

b : parameter variables estimation

Sb : standard error

Conditions of acceptance or rejection of the hypothesis is as follows:

1. If $-t_{count} < -t_{table}$, or $t_{count} > t_{table}$, or significant $t \leq 0.10$ then zero hypothesis in rejected and alternative hypothesis is accepted.
2. If $-t_{count} \leq -t_{table}$, or $t_{count} \leq t_{table}$, or significant $t > 0.10$ then zero hypothesis is accepted and alternative hypothesis is rejected.

If hypothesis zero is rejected; it means that standard fault is 10%, independent variable (X) significantly influences dependent variable (Y).

3.5.5 Simultaneous Test (F Test)

F test aims to know the level the influence of the independent variable simultaneously on dependent on variables. The formula of f-test (cooper and Emory, 2006) is :

$$F = \frac{R^2/K}{(1-R^2)/(N-K-1)}$$

Description :

F : Ratio

K : The Number of Independent Variable

R: Correlation Coefficient

N : The Number of Sample

Conditions of acceptance or rejection of the hypothesis are as follows:

- If $F_{count} > F_{table}$, or significant $F \leq 0.10$ then the null hypothesis is rejected, and the alternative hypothesis is accepted
- If $F_{count} < F_{table}$, or significant $F > 0.10$ then the null hypothesis is accepted, and the alternative hypothesis is rejected

3.5.6 Multiple Determination Coefficient (R^2)

The coefficient of determination (R^2) is coefficient which shows the magnitude of the proportion independent variables against dependent variable. Coefficient of determination can be known how great the contribution of the free variable is bound to a variable, so it can be against known other factor has not been included in the research model.

CHAPTER IV

RESULTS AND DISCUSSION

4.1 Description of Research Object

Malang is an area located in the south central part of the province of East Java. The position coordinate of Malang is located between 112°17',10,90" East Longitude and 112°57',00,00" East longitude and between 7°44',55,11" South latitude and 8°26',35,45" South latitude the settlement about Widespread 3,238.26 Km2 with 33 districts.

Malang area bounded by:

North side : Regency Pasuruan, Probolinggo, Mojokerto and Jombang

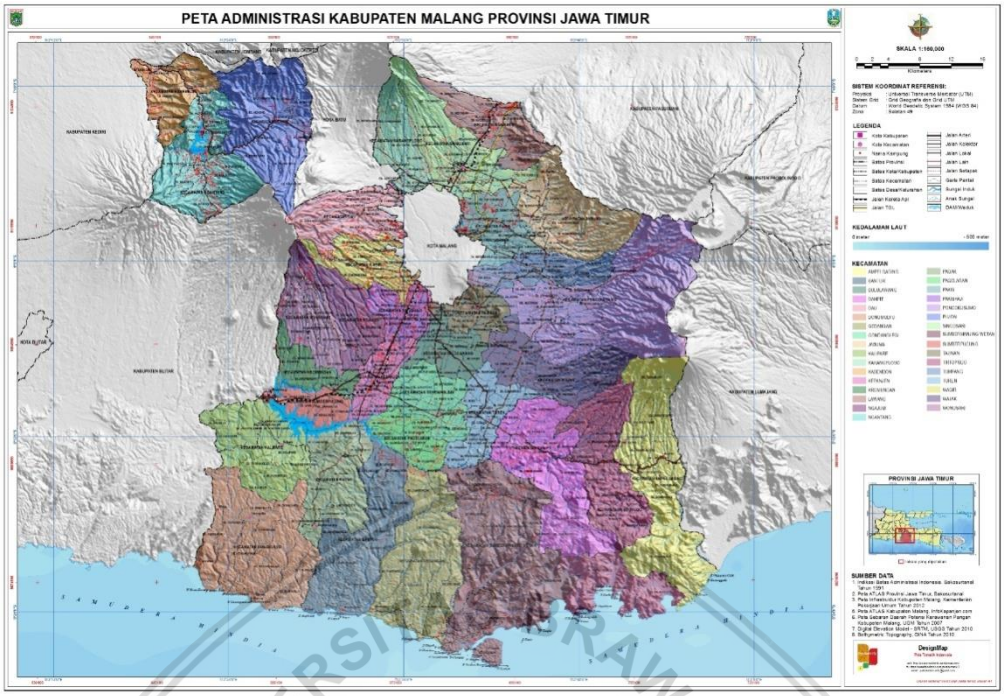
East : Lumajang

South : Indonesia Ocean

West : Regency Kediri And Regency Blitar

Inner ring road: Malang City and Batu City

Malang is the topographic conditions of the highlands It is surrounded by several mountains and lowland or Valley area on height of 250-500 metres above sea level located in the central part of the region of Malang.



4.2 Data Analysis

4.2.1 Level of Education

In the laws of the Republic of Indonesia Number 20 years in 2003 About the education system, education is a conscious effort and planned to create the atmosphere of learning and the learning process so that learners actively develop itself to have the power of religious, spiritual self-control, personality, intelligence, morals, as well as the necessary skills themselves, society, nation, and State. Education, in general, is any planned attempts to influence others both individuals, groups or communities, so they perform the expected principals of education (Notoatmodjo, 2003).

The higher the level of education a person, the more knowledge and expertise that they have. So education will encourage the increased productivity of someone's work (Rasidin, 2004). The education indicators seen in this study are the population the productive age (10 years and above) who has graduated high school education. At this level of education, skill levels and productivity is higher compared to graduates of the basic level (Elementary and Junior High School), so it has a greater chance to improve the welfare because the earned income is higher than those of graduates of elementary education. Educational data in this study is a graduate of the Senior High School level academic education year 2001 – 2016 in Malang is presented in table 4.1.

Table 4.1 *Education Level*

No.	Year	Total
1	2001	4527
2	2002	4589
3	2003	5667
4	2004	4785
5	2005	4718
6	2006	4865
7	2007	5261
8	2008	5117
9	2009	5495
10	2010	5051
11	2011	5009
12	2012	5051
13	2013	5822
14	2014	6245
15	2015	6693
16	2016	6937
Minimum		4527
Maximum		6937
Average		5364,50

Source: BPS Malang District, 2018.

Table 4.1 shows that the development of education in Poor districts tends to rise each year but not significant. The minimum amount in 2001 was 4527. And the maximum amount in 2016 was 6937.

4.2.2 Per Capita Income

Economic growth is a measure of the quantitative level which describes the development of an economy in a given year (Sukirno,2006). Simon Kuznetz in Jhingan (2000) mentioned that economic growth is the increase in capacity in the long term from the concerned State to provides a variety of economic goods to the population defined by the existence of progress or adjustment technology, institutional, and ideological demands against the State. Per capita income can be obtained from given year divided by the state total population of the year (Sukirno, 2004). Taken from BPS, the per capita income rate of Malang is presented in the table below.

Table 4.2 *Per capita Income Data*

No.	Year	Total
1	2001	3729211
2	2002	3838306
3	2003	3998548
4	2004	4180206
5	2005	4327396
6	2006	4441205
7	2007	4667978
8	2008	4911749
9	2009	4011749
10	2010	5145035
11	2011	5441631
12	2012	5777001
13	2013	5840574
14	2014	6093498
15	2015	6102670
16	2016	6117651
Minimum		3729211
Maximum		6117651
Average		4914025.50

Source: BPS Malang District, 2018.

Based on table 4.2 above, it shows economic growth in the poor districts experiences annual change. A decrease occurred in 2009 at 4011749 while the previous year 2008 was 4911749. GDP was compiled based on the rates applicable during the period of the countdown, and aimed to look at the structure of the economy.

4.2.3 The Unemployment Rate

Unemployment is classified based on the work force who is actively looking for a job at a certain wage level, but are unable to obtain the desired job (Sukirno, 2004). According to BPS, unemployment is the resident who has been in the work force but does not have a job and is preparing the work, business, and already have a job but has not yet started working. The state of unemployment rate in poor areas can be seen in the following table:

Table 4.3 *Data Unemployment Rate*

No.	Year	Total
1	2001	362290
2	2002	396320
3	2003	401954
4	2004	442541
5	2005	432126
6	2006	456901
7	2007	45110
8	2008	47543
9	2009	47263
10	2010	57046
11	2011	60028
12	2012	49459
13	2013	56282
14	2014	61596
15	2015	64034
16	2016	65028
Minimum		45110
Maximum		456901
Average		190345.06

Source: BPS Kabupaten Malang, 2018.

Table 4.3 demonstrates the amount of unemployment that is on average at 190345.06. The minimum amount occurred in 2007 at 45110 inhabitants and the maximum amount was 2006 at 456901. From 2007 to 2016, the number of unemployment declined compared to 2001 to 2006, although the trend fluctuated.

4.2.4 Poverty Levels

Poverty is absolute and relative condition that causes a person or groups of people in an area does not have the capability to fulfill the basic needs in accordance with certain values or norms that apply in the community due to natural causes, cultural and structural. The poverty of natural limitations due to the quality of natural resources as well as human resources. Structural poverty caused directly or indirectly by a variety of policies, regulations, and decisions in development. Poverty is generally discernible economic transformation that goes unbalanced. Cultural poverty is poverty a lot due to the attitude of the individual in society that reflects the lifestyles, behaviors, or trapping himself in the culture of poverty. In other words, a person is said to be poor if his income level and do not allow the person to obey the norms and values in society. The poverty level data presented in table 4.4 below.

Table 4.4 *Data Poverty Level*

No.	Year	Total
1	2001	470761
2	2002	443893
3	2003	407218
4	2004	438790
5	2005	413674
6	2006	391742
7	2007	355201
8	2008	326820
9	2009	331450
10	2010	290276
11	2011	287430
12	2012	274600
13	2013	287400
14	2014	280310
15	2015	292870
16	2016	293740
Minimum		274600
Maximum		470761
Average		349135.94

Source: BPS Malang District, 2018

Table 4.4 shows the level of poverty in Malang 2001-2016. The poverty is in areas tends to diminish each year even though there are few years of increase. In 2001 poverty levels was 470761 and in 2016 was 274600. This shows that the welfare of the community and the level of well-being had been improved.

4.3 Research Result

A linear regression model is theoretically multiple parameter values that generates a valid presumption model and BLUE after tested using classical assumptions. A classic assumption test conducted in this research includes

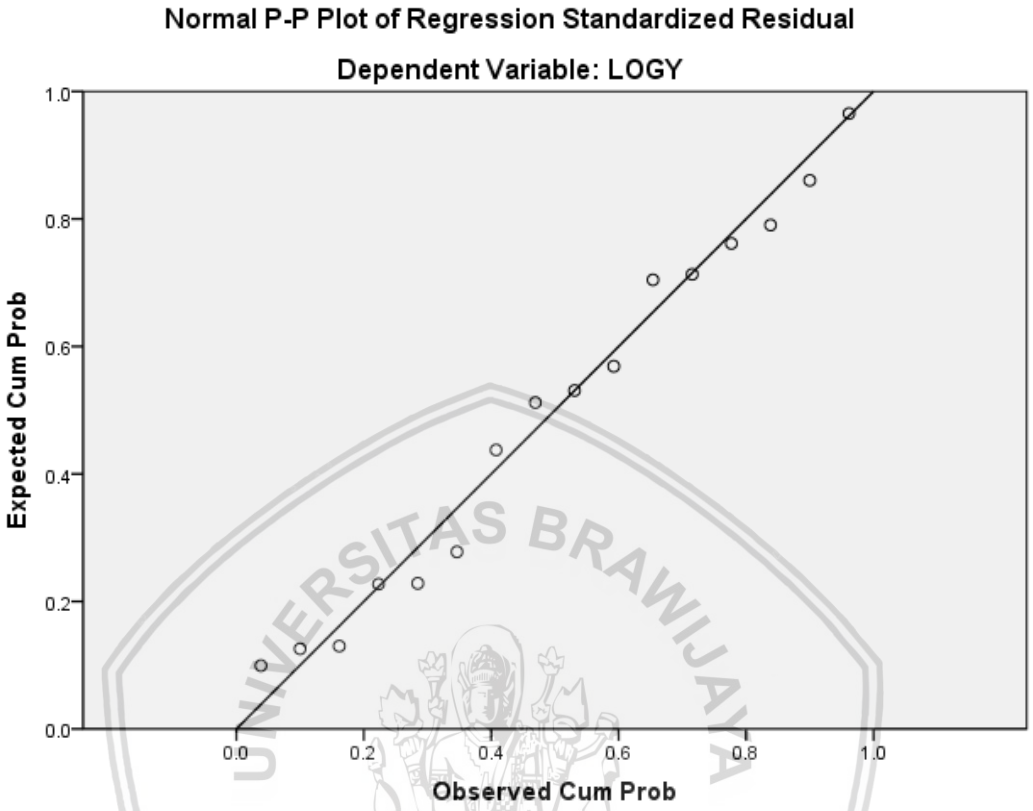
normality test, heteroskedasticity test, multicollinearity test, and autocorrelation test.

4.3.1 Classic Assumption Test

a. Assumption Test Result: Data Normality

Normality test aims to know whether, in regression models, the dependent and independent variables have a normal distribution or not. Good regression model gas a normal distribution of the data or close to normal. The method used is to look at a normal probability plot of the cumulative distribution of data comparing actual cumulative distribution of a normal distribution. The basis of decision making is if the data is spread around the diagonal line and follow the direction of the diagonal lines indicating patterns of a normal distribution, then the regression models satisfy the assumption of normality. Normality test is done by looking at the normal probability plot that compares the cumulative distribution of actual data with the distribution of the cumulative normal distribution.

Picture 4.1 *Assumptions Test Results Normality*



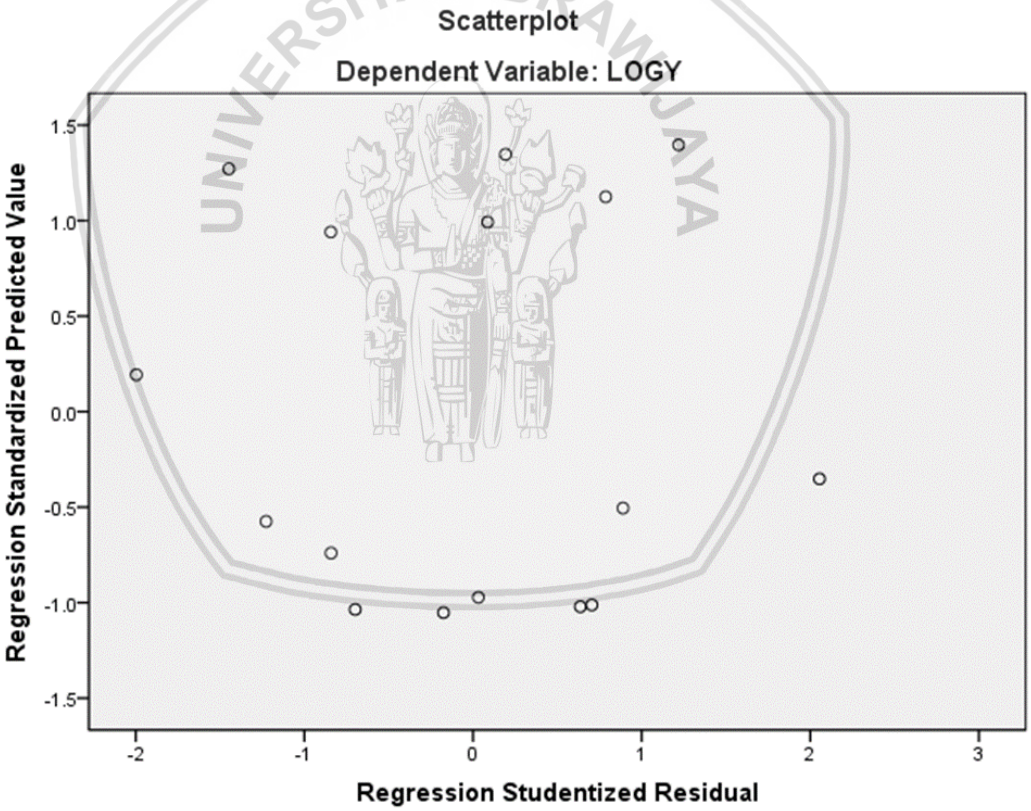
The results of the analysis (Appendix) suggests that the real data that describe the line following the diagonal line, so it can be inferred that the regression model obtained has a normal distribution.

b. Assumption Test Result: Heteroscedasticity

Heteroscedasticity test aimed at testing whether in regression models has residual variance of inequality from one observation to the other observation. Good regression model is the homoscedasticity or absence of heteroscedasticity. To find out whether or not there is a heteroscedasticity on the model of regression, the graphs plot is used as the prediction variable

(ZPRED) and its residual (SRESID). To test heteroskedasticity can be done by looking at a particular pattern on the chart between SRESID and scatterplot ZPRED. Therefore, if there is a particular pattern, such as the points that there are certain patterns that form irregular (wavy, widens and then narrows or other forms), then it indicates heteroscedasticity. If there is no clear pattern, as well as point-point spread over and under the number 0 on the Y axis, then there is no heteroscedasticity

Picture 4.2. *Test Result Assumption Heteroscedasticity*



Good regression model is homoscedasticity or absence of heteroscedasticity. The above graph illustrates that the graph plot between the prediction variable (ZPRED) and its residual (SRESID) spread and do not form a specific pattern, this means that the regression model has no heteroscedasticity.

c. Assumption Test Result: Multicollinearity

Multicollinearity test is intended to determine whether there is a perfect linear relationship among all variables contained in the regression model. To find out whether or not there is a multicollinearity in a regression model can be seen from some of the conditions that must be met as follows: Multicollinearity occurs when the value of the VIF is greater than 5. Regression models are good without multicollinearity i.e. the existence of a correlation between free variables (independent). If the value is less than 5 then VIF is absence of multicollinearity . The VIF and value tolerance is presented in the table below.

Table 4.5 *VIF Value for Multicollinearity Test*

Variable	Value VIF
Education Level	1.959
Percapita Income	2.817
Unemployment	1.972

The results of table 4.5 showed that VIF value is less than 5. Thus, it can be concluded that the data in this study do not occur multicollinearity.

d. Assumptions Test Result: Autocorrelation

To test whether or not there is autocorrelation in an equation, when the value of the DW is located between the upper limit (du) and the lower limit (dl) or DW is located between (4-du) and (4-dl), then the result is inconclusive. Good regression model is a regression that is free of autocorrelation. Based on annex 2, it can be known that the magnitude of the value of the DW (Durbin-Watson) is at 1,781 and du at 1.7277. From the data, DW is more than du, shows that there is not an indication of the onset of autocorrelation.

4.3.2 Multiple Regression Analysis Results

Multiple liner regression analysis that aims to find out the influence of educational level, income per capita and unemployment rate against the poverty level. Data processing is carried out using the SPSS program against the data in the form of ratio analysis. The results of the regression analysis can be seen in the table below.

Table 4.6 *Result of regression analysis*

Variable	*Unstandardized Coefficients*	β (beta)	t_{count}	Sig.	Description
Constant	9.046				
Level Education (X_1)	0.048	0.032	0.313	0.759	Not Significant
Per capita Income (X_2)	-0.621	-0.584	-4.699	0.001	Significant
Unemployment (X_3)	0.091	0.486	4.672	0.001	Significant
R = 0.966 R *Square* = 0.934 F_{count} = 56.718 Sig F = 0.000 α = 0.05					

Multiple linear regression model based on multiple regression analysis of the results in the table above can be arranged as follows:

$$Y = 9.046 + 0.048\ X_1 - 0.621\ X_2 + 0.091\ X_3$$

The regression can be explained as follows:

1. The regression coefficient of education level is positive at 0.048, which means that education levels variable has an effect on the extent of poverty is directly proportional. This means that if an increase in the level of education one unit it will be followed by an increase in the level of poverty by 0.048. For example, if an increase in the educational level is at 10%, then poverty levels will increase by 0.48% or the shortfall of education level by 10%, then poverty levels will decrease by 0.48%.
2. The regression coefficient of per capita income is negative at – 0.621, which means that per capita income variable varies inversely influence on the level

of poverty. This means that if per capita income variable increases by one unit, it will be followed by a decrease in the poverty rate by 0.621. For example, if per capita income variable increase by 10%, then poverty levels will decline by 6.21% or if there is a decrease in per capita income variable by 10%, then poverty levels will increase by 6.21%.

3. The regression coefficient of unemployment rate is positive 0.091, it means that unemployment rate variable influence is directly proportional on the level of poverty. This means that if the unemployment rate variable rises by one unit, it will be followed by an increase in the level of poverty by 0.091. For example, if the unemployment rate variable increase by 10%, then the poverty level will increase by 0.91% or if there is a decline in the unemployment variable rate by 10%, then poverty levels will experience increase by 0.91%.

4.3.3 Partial Regression Test (t Test)

To test the independent variable partial significant influence on the variable, then test of t with significant level of 5% is performed.

Conditions of acceptance or rejection of the hypothesis are as follow:

- If $-t_{count} < -t_{table,}$ or $t_{count} > t_{table}$, or significant $t \leq 0{,}05$ then the null hypothesis is rejected and alternative hypothesis is accepted.

  If $-t_{count} \leq -t_{table}$, or $t_{count} \leq t_{table}$, of significant $t > 0{,}05$ then the null hypothesis is accepted and the alternative hypothesis is rejected.

The test results of each variable is as follows:

1. The effect of education level on poverty levels

   The results of statistical tests in table 4.6 shows that t count the education level variable is at 0,313 on sig. t = 0759. This indicates that Ho is accepted and Ha is rejected with a significant level at 5%. This means that at partial (individual), level of education variables has no effect on poverty levels. Thus, level of education influential has negative against poverty levels and is rejected.

2. The effect of per capita income against poverty levels

   The results of statistical tests in table 4.6 shows that t count value variable per capita income is - 4,699 on sig. t = 0.001. this indicates that Ho is accepted and Ha is rejected with a significant at 5%. This means that per capita income partial (individual) variable is negative significant on poverty levels. Thus, the negative per capita income level effect on the poverty rate can be accepted.

3. The effect of unemployment rate against the poverty level

   The results of statistical tests in table 4.6 shows that t count value variable of unemployment rate is 4,672 with sig. t = 0.001. This indicates that Ho is rejected and Ha is accepted with significant level at 5%. This means that unemployment rate variable partially (individual) has significant positive effect on poverty levels. Thus, H3: unemployment rate (X 3) has a positive effect on poverty levels (Y) is accepted.

4.3.4 Simultaneous Regression Test (F Test)

F test is to know whether the variable has non-simultaneously significant influence on dependent variables with significant levels at 5%.

Conditions of acceptance or rejection of the hypothesis are as follow:

- If $F_{count} > F_{table}$, or significant $F \leq 0,05$ then the null hypothesis is rejected and the alternative hypothesis is accepted.
- If $F_{count} < F_{table}$, or significant $F > 0,05$ then the null hypothesis is accepted and alternative hypothesis is rejected

The results of statistical tests in table 4.6 shows that F count value is 56,718 with sig. t = 0000. This indicates that Ho is rejected and Ha is accepted with significant levels at 5%. This means that educational level, per capita income and the unemployment rate variable has simultaneous significantly effect to poverty levels.

4.3.5 Multiple Determination Coefficient Test (R^2)

To measure the education levels, per capita income and unemployment rate variable on the poverty level is done through multiple determination coefficient test (R^2). Based on the results of the calculation as in table 4.7, the value of R^2 is 0.934 this means that education level, per capita income and unemployment rate variable simultaneously is 93.4% that can affect poverty, while other 6.6% are influenced by other variables not examined.

4.4 Discussion

4.4.1 The Effect of Education Level Against Poverty Level

Based on the results, the level of education does not have an effect on the level of poverty in Malang. The number of educated or uneducated does not affect the level of poverty. The results of this research is not in line with the research of the Sari (2016), Bisby (2012) and Widiasworo (2015) who stated that, in general, the education level of the influential significant on poverty levels. This means in Malang, the level of education cannot stand on its own as an independent variable in influencing the level of poverty, but it must interact with other variables.

Table 4.7 *GRDP Sectoral*

Kategori	PDRB Atas Dasar Harga Konstan (Juta Rupiah)		
	2017	2016	2015
A. Pertanian, Kehutanan, dan Perikanan	9994064.97	9826908.15	9542355.95
B. Pertambangan dan Penggalian	1202920.15	1144314.96	1129469.08
C. Industri Pengolahan	1855056.18	1755628.55	1654937.19
D. Pengadaan Listrik dan Gas	58477.33	55209.75	52939.07
E. Pengadaan Air, Pengelolaan Sampah, Limbah dan Daur Ulang	62621.93	58583.77	55828.63
F. Konstruksi	7384119.27	6898982.75	6562571.22
G. Perdagangan Besar dan Eceran; Reparasi	11979767.07	11196122.42	10597951.19
H. Transportasi dan Pergudangan	705547.51	653281.56	610036.86
I. Penyediaan Akomodasi dan Makan Minum	2071216.56	1913585.28	1783320.58
J. Informasi dan Komunikasi	3085628.42	2877388.91	2689109.10
K. Jasa Keuangan dan Asuransi	983900.80	956207.31	901218.75
L. Real Estate	895151.16	849482.95	800477.44
M,N. Jasa Perusahaan	231810.26	219775.36	207788.07
O. Administrasi Pemerintahan, Pertahanan	1086497.17	1066304.35	1026230.07
P. Jasa Pendidikan	1491654.87	1429171.50	1347626.61
Q. Jasa Kesehatan dan Kegiatan Sosial	360718.74	340867.95	324970.40

R,S,T,U. Jasa Lainnya	1264265.80	1204871.34	1136553.29
PDRB	61408929.19	58247344.86	55317821.50

Source :BPS Kabupaten Malang

At the other side, job opportunities in Kabupaten Malang the majority are agricultural that absorbs the amout of labor quite a lot. And in general, labor on the agriculture it has no education background high because agriculture work they have been get of generations. So does in trade, especially in traditional markets, almost all are educated low because trading in market is not need higher education (GRDP Kabupaten Malang 2011).

Shift share should be followed by growth from each category although at the rate which defferent. Futhermore, the rate of the acceleration of transforming would br different for each region, depends of the characteristic of the region. For regions are rich natural resources like Kabupaten Malang, the process of transforming it tends to be slow compared with industrial areas, such as Surabaya, Kabupaten Pasuruan and Sidoarjo. This different due to the regions rich natural resources will tend to still need relatively high growth in the primary to support the acceleration of growth in the other. (statistik ekonomi daerah kabupaten malang 2012-2016).

Table 4.8 *Data Graduate Education*

Level Education	Angka Partisipasi Kasar (APK) menurut Tingkat (Persen)		
	2015	2014	2013
SD	113.19.00	110.04.00	110.04.00
SLTP	102.26.00	86.80	95.08.00
SLTA	81.23.00	54.59.00	55.56.00
Pendidikan yang Ditamatkan	Penduduk Usia 7-24 Tahun		
	Laki Laki	Perempuan	Total
SD	35,22	35,73	35,47
SMP	15,82	14,74	15,3
SMA	13,38	12,91	13,15
D1/D2/D3	0,74	0,52	0,63
D4/S1/S2/S3	2,94	5,58	4,22
Tidak Sekolah Lagi	31,85	30,51	31,2

Source: BPS Kabupaten Malang

No apparent influence of educational level in an effort to decrease the levels of poverty in Malang is due to sector education that poses long-term effect on improving human resources, while the poverty level must be corrected immediately and anticipated so as not to multiply. Arsyad (2004) stated that, in Indonesia, or anywhere in the world, education (formal and non-formal) could have played an important role in alleviating poverty in the long term, both indirectly through improvements in productivity and efficiency, as well as directly through the training of the poor with the skills needed to improve their productivity and in time will increase their income.

Almost half of the total workforce in Indonesia only have elementary school certificate only. However, in the last few years, there is a changing trends that the share of higher education diploma holders are getting bigger, and the share of a diploma of basic education holders declines.

Education is a key strategy in preparing for the realization of a democratic nation, skilled, intelligent, creative, high quality akhlaq, mastering science and technology, in order to face the global competition. Whereas, the availability of the infrastructure of the school is mainly from the large number of school buildings, although the ratio is still low. This is due to the growing school-age population over time whereas the growth of the school buildings is insufficient (RPJMD Kab Malang). The Government's efforts to improve the education of Malang include:

a. Increasing the extent/degree of community education;
b. Increasing the average age of the residents of old school 25 years;
c. Increasing the numbers of students graduate education programs mandatory 12 years of study;
d. Improving the qualifications and competence of teachers and educational personnel;
e. Increasing the number literacy;
f. Enhancing the cultural and sporting achievements in the community;

4.4.2 The Effect of Per capita Income Against Poverty Level

The study found that the per capita income has significant negative effect on the poverty level. The high per capita income will lower the level of poverty in Malang.

For example, if per-capita income increase by 10%, then the rate of poverty will decline about 6.21% or vice versa. A decline in the level of income by10%, will be followed with increase poverty levels by 6.21%. It is in line with previous

researches. Ayula Chandra (2012) and Hastinapura Febriaty et al. (2017) concluded that per capita income has a negative and significant effect on the poverty level. The great economic growth will be able to increase the per capita income for the community so that the welfare society increases and the number of poor populations decreases.

Per capita income of the ordinary people gives an overview of the level of welfare (Arsyad, 1999). The higher a person's income will increase a person's ability to pay a variety of charges set by the Government. The higher the GRDP per capita of an area, the greater the potential source of the acceptance of the area is. The high acceptance of the region would enable the regional government to resolve the problem of poverty.

The government efforts to increase per capita income (RPJMD Kab Malang) include:

a. Enhancing the regional economic growth;
b. Increasing the per capita income for the community;
c. Improving the protection and welfare of the workforce;
d. Reducing the gap of economic community;
e. Increasing the purchasing power of the community;
f. Enhancing the productivity of the society especially in rural areas.
g. Increasing economic empowerment at the level of the family;
h. Increasing Income per capita gross Regional domestic

4.4.3 The Effect of Unemployment Rate on Poverty Level

The results of the study shows that the unemployment rate has significantly positive effect on poverty levels. The high the unemployment rate will raise the level of poverty in Malang, vice versa. The results of this study in accordance with research Abdillah (2015), Sari (2016) and Bisby (2012) who concluded that unemployment variables has significantly positive effect on poverty levels. If the individual is employed (working) then he will generate revenue that could be used to fulfill his needs.

Todaro (2000), stated that the growth of population and labour force growth is traditionally regarded as one of the factors that enhance economic growth. One of the problems the central and regional government is the availability of jobs opportunities for a population that often does not suffice the needs. Therefore, working abroad is still an alternative option of most job seekers in Indonesia, especially in Malang (RPJMD Kab Malang).

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

Based on the analysis, the conclusions are as follow:

1. The partial analysis result includes:
    a. Education level have no effect on poverty level; the change on education level will not affect the level of poverty.
    b. Per capita income variable is significantly negative effecting poverty level which means that increment of variable income per capita will lower the level of poverty.
    c. Unemployment rate variable is significant positive effecting poverty levels which means that the increment rate of unemployment will increase the level of poverty.
2. The simultaneous analysis results, it is found that education, income per capita and unemployment rate variable affect significantly to poverty levels in Malang 2001-2016 year.
3. The effect of educational level, income per capita and unemployment rate on poverty in Malang 2001-2016 year amounted to 93.40 percent while the rest of 6.60 percent is explained by other factors not discussed in this research model.

5.2 Suggestion

Based on the results of the discussions, there are several suggestions formulated in this study:

1. Although education level does not influence on poverty levels in the near future, but efforts to improve education in the county remains important concern for the unfortunate because the District Government with adequate and quality education can enhance the capabilities and skills to boost welfare.
2. In relation to the per capita income, the effort to improve productivity, particularly in rural communities and the increasing economic empowerment at the family level. The family is an important part in an attempt to increase revenue because, in general, people in Malang run family business (father, mother & children).
3. One of the problems the local Government District of Malang is the job opportunities that often does not suffice the needs. Working abroad is still the choice of most job seekers in Malang. Therefore, efforts to open labor-intensive jobs should be a concern for the Poor as well as to optimize the District agriculture and gardening that requires more human labor.
4. For future researchers interested in the same issues, it is expected and recommended to uncover, and add factors that affect the level of poverty particularly in Malang.

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Descriptive Statistics

	N	Range	Minimum	Maximum	Mean
X1.pendidikan	16	2410	4527	6937	5364.50
X2.percapita	16	2388440	3729211	6117651	4914025.50
X3.pengangguran	16	411791	45110	456901	190345.06
Y.kemiskinan	16	196161	274600	470761	349135.94
Valid N (listwise)	16				

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	LOGX3, LOGX1, LOGX2	.	Enter

a. All requested variables entered.

b. Dependent Variable: LOGY

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.966[a]	.934	.918	.02373	1.781

a. Predictors: (Constant), LOGX3, LOGX1, LOGX2

b. Dependent Variable: LOGY

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.096	3	.032	56.718	.000[a]
	Residual	.007	12	.001		
	Total	.103	15			

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.096	3	.032	56.718	.000[a]
	Residual	.007	12	.001		
	Total	.103	15			

a. Predictors: (Constant), LOGX3, LOGX1, LOGX2

b. Dependent Variable: LOGY

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.046	.814		11.110	.000		
	LOGX1	.048	.152	.032	.313	.759	.510	1.959
	LOGX2	-.621	.132	-.584	-4.699	.001	.355	2.817
	LOGX3	.091	.019	.486	4.672	.001	.507	1.972

a. Dependent Variable: LOGY

Charts